

The Australian

Owner-occupiers can't sit on their hands any longer

- by: Majella Corrigan
- From: The Australian
- March 24, 2012 12:00AM

OWNER-occupiers could be on the increase in Melbourne's residential market after two years of playing a waiting game.

The Real Estate Institute of Victoria put the clearance rate for last weekend at 60 per cent for the 685 properties it surveyed. There were also 584 reported private sales.

Ian James of JPP Buyer Advocates says four out of five auctions the company went to last week passed in, but only one failed to sell afterwards. James says interest is switching from investors to owner-occupiers, with owner-occupiers outstripping investors in inquiries in the past fortnight at a ratio of two to one.

Many people who already own a home and would have been selling in the past two years can't wait any longer to trade up or downsize.

If this trend continues, James says there will be more homes on the market in the \$400,000 to \$700,000 price range and potentially the \$1 million to \$1.5m sector.

It will mean a better choice than there has been for the past 18 months.

James says market indicators will be slow to show this trend as the median price will not change much. Many vendors will be realistic when selling, but probably very aggressive buying their next property.

Property researcher and forecaster SQM Research's managing director Louis Christopher noted in a recent weekly newsletter that it wasn't clear if Melbourne had reached its peak in stock levels, but he expects house prices to show between 2 per cent growth and a 2 per cent fall this year.

SQM also published the top 10 most heavily discounted properties in Melbourne, and there were inclusions from inner Melbourne and its fringe. They include a four-bedroom, two-bathroom home on 16.83ha on the suburban fringe at Wyndham Vale, near Werribee, reduced from \$2.4m in 2010 to \$1.8m.

However, properties in up-market inner Melbourne in suburbs such as Camberwell and Armadale are also on the list.

In Sydney, there have been two recent top-end sales.

A five-bedroom home with tennis court and pool on 2266sqm in Olola Avenue, Vacluse, reportedly sold for just under \$12m.

On the other side of the harbour Mandolong House, the long-time Mosman home of Hutchison Telecommunications deputy chairman Barry Roberts-Thomson and his wife, Victoria, sold for \$18m, after just two weeks on the market. On 2909sqm on the Balmoral slopes, the renovated turn-of-the-century five-bedroom home has formal reception rooms, casual family areas, terraces and verandas overlooking a tennis court and pool, plus a self-contained pavilion for guests.

This was a trophy home in a top suburb. For those not in this price bracket, one buyers' agent says even with close scrutiny of Sydney's sub-markets it's difficult to spot a trend.

In his latest newsletter Curtis & Associates' Chris Curtis says the small, trendy inner-city suburb of Surry Hills illustrates the point.

In six weeks from late December to the end of February, Surry Hills produced the entire spectrum of sales results ranging from a renovator's delight in Griffin Street, sold for \$785,000, to a tired but renovated home in Norton Street sold for \$810,000 and, less than 200m away, a two-bedroom apartment in a warehouse conversion in Corben Street, which sold for \$985,000. It was previously bought in 2008 for \$875,000.

In the same period, 5 Bennett Place, Surry Hills, a four-bedroom, three-bathroom converted carriage house of 780sqm across three levels set a new suburb record of \$5.71m at auction.

The property features exposed timber beam ceilings, a blackbutt kitchen, entertaining deck and ground-floor studio gallery.

- majellacorrigan@optusnet.com.au (mailto:majellacorrigan@optusnet.com.au)
-